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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC-03954-86/1
25 August 1986

MEMORANDUM FOR: See Distribution

FROM:

[redacted]

Acting National Intelligence Officer for Europe

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SUBJECT: August Warning and Forecast Report

1. Attached is my report to the DCI based on our warning meeting held on 20 August 1986.

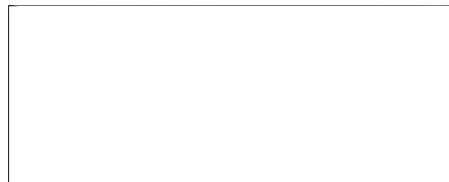
2. Next month's warning meeting will be held on Wednesday, 17 September 1986 at 1025 in room 7-E-62, CIA Headquarters. Please telephone attendance plans to our office [redacted] and have clearances certified by COB 15 September 1986.

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3. I also encourage you to phone in suggestions for the agenda and names of volunteers to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 8 September 1986.

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Attachment



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Washington, D.C. 20505

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25 August 1986

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: []
Acting National Intelligence Officer for Europe

SUBJECT: August Warning and Forecast Report

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I. Monitoring ItemsA. France: Shifting Attitudes Toward Counterterrorism?

1. Discussion. Growing strains under cohabitation are likely to sharpen internal French debates about counterterrorism. The Chirac government, under increasing criticism from the opposition, may have to soften its tough posture on the issue. The opposition is accusing the government of heavy-handed violations of human rights while at the same time criticizing its ineffectiveness in combatting terrorism. The French public generally supports tougher measures against terrorism, but opinion could turn against the government's methods if terrorists increase their activities and opposition criticism mounts. Shifts in public attitudes, in turn, might weaken the resolve of the government and sharpen its internal divisions over the issue.

2. Warning Notice. Mounting domestic pressure for concessions to end the Abdallah case may have unwelcome consequences for the US. Abdallah's imprisonment served to shift LARF attention away from the US toward France; a deal with terrorists to gain his release would mean that the US will once again be the prime LARF target.

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B. Yugoslavia: Arms Deals with Moscow

1. Discussion. Yugoslav-Soviet negotiations are continuing toward the possible purchase of thirty to forty Soviet MiG-29 aircraft -- a one billion dollar deal, equal to the total of Yugoslav arms purchases from the USSR during the decade 1976-85. Even if agreement is reached, however, it will probably be 1990 before the USSR can produce enough aircraft annually to satisfy the Soviet air force, Warsaw Pact allies, and Third World clients already in line ahead of the Yugoslavs. Soviet motivations are clear enough. The traditional suppliers of aircraft to Yugoslavia, they are loath to lose the Yugoslav market to the West. The Soviets may also hope that a MiG-29 deal would kill or at least delay the Novi Avion project, though the Yugoslavs evidently remain committed to producing a domestic fighter aircraft for the late 1990s.

2. Warning Notice. The visit in September of the Soviet defense minister to Yugoslavia may be part of a broader Soviet campaign to fish in troubled waters. Although bilateral military visits have taken place regularly, senior level exchanges sometimes have been used by the USSR to push for Yugoslav concessions on naval basing rights. At a time of activism in Soviet policy and continuing disarray in Belgrade, the possibility of such a ploy is higher than usual.

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III. Additional Warning Item

Participants in the meeting expressed concern over the impact on our NATO allies of likely FY-87 reductions in US foreign assistance and related programs. Sharp reductions in US security assistance to Turkey, Greece, Spain, and Portugal, for example, would probably provoke sharp reactions in those countries and could complicate negotiations on US military base agreements. Additionally, limitations on Allied participation in SDI research might introduce serious strains in relations with the governments that have been most eager to cooperate.

Participants agreed to assess likely West European reactions to possible cuts in US foreign assistance programs at the next Warning and Forecast meeting.

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